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SUBJECT: THE MINISTRY OF DEFENSE REORGANIZATION

Classified By: Charge d'Affairs Joseph R. Donovan for reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: September 1 marked the reorganization of the Ministry of Defense (MOD) and the elimination of the Defense Facilities Administration Agency (DFAA). Under the reorganization much of DFAA's functions will be folded into MOD's Internal Bureau. Final allocation of workload and portfolios remains undetermined with many divisions having overlapping and potentially conflicting responsibilities. Despite its upgrade to full ministry status, MOD retains the structure of a subcabinet agency. END SUMMARY

¶2. (C) On August 20, Assistant Director for the Personnel Division in the Minister's Secretariat Tomohiko Matsuo briefed Embassy Tokyo on the September 1 reorganization plan, specifically the merger of DFAA into MOD's Internal Bureau. Matsuo said that a number of factors drove the MOD-DFAA merger. First, the increased stature resulting from the upgrade from a subcabinet agency to a full ministry requires a reevaluation of responsibilities, especially in terms of policy and operational decision-making. Second, scandals involving the DFAA tarnished its public image and opened the door for MOD to absorb it.

Meet the New MOD, Same as the Old JDA

¶3. (C) As of September 1, MOD has one additional bureau, totaling six bureaus comprised of the Minister's Secretariat, the Bureau of Defense Policy, the Bureau of Operational Policy, the Bureau of Personnel and Education, the Bureau of Finance and Equipment, and the "Provincial Planning Bureau." (NOTE: "Provincial Planning Bureau" is an unofficial translation. We will follow-up with the official English title.) The Minister's Secretariat has five Defense Counselors, each informally assigned to a bureau but with undefined mandates. Matsuo stressed that large changes in staffing will not occur, with most of the current MOD and DFAA staff simply changing their titles.

¶4. (C) On paper, MOD will continue to be structured like a subcabinet agency. Rather than using the reorganization as an opportunity to create positions similar to other Japanese ministries, MOD will retain much of the structure from its time as the Japan Defense Agency (JDA). Only the Bureau of Defense Policy and the "Provincial Planning Bureau" have Deputy Director General (DDG) positions. DDG-level MOD

officials will continue to have difficulty identifying clear U.S. Government counterparts.

DFAA and the IG

15. (C) DFAA will undergo the biggest change as it becomes the MOD's "Provincial Planning Bureau." After DFAA's absorption into the Internal Bureau there will be a shift from support functions to policy making. Local DFAA and Defense Facilities Administration Bureau (DFAB) offices will split from the rest of DFAA with the creation of the "Provincial Planning Bureau" and become Regional Defense Bureaus. The Regional Defense Bureaus will continue to perform the same job as their precursors, although they will also oversee regional procurement and related functions.

16. (C) Matsuo emphasized the expanded powers and oversight by the office of the Inspector General (IG). The recently appointed Masafumi Sakurai will be the first Inspector General with a mandate from the Diet to oversee all of MOD. Transplanted members of DFAA as well as legal and accounting experts will make up the core of the IG.

The Change to Defense Policy

17. (C) The Bureau of Defense Policy, which handles many of the alliance issues for MOD, will also undergo a number of changes under the reorganization plan. Matsuo said the changes to the Bureau are the result of the deployment of Japanese forces to Iraq and the ensuing need for MOD to deal with other complex policy and political issues. There will be six divisions under the Bureau of Defense Policy; the

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Defense Policy Division, the Japan-U.S. Defense Cooperation Division, the International Policy Division, the Planning and Programming Division, and the Defense Intelligence Division.

18. (C) According to Matsuo, U.S.-Japan defense cooperation and alliance maintenance issues will shift to the new Japan-U.S. Defense Cooperation Division in the Bureau of Defense Policy. The new division will focus specifically on "more politicized issues." When asked, Matsuo pointed out that the division of labor between the Defense Policy Division and the Japan-U.S. Defense Cooperation Division remains undecided, although the Defense Cooperation Division will likely handle base movement/realignment and host nation support issues. The appointment of Nobuki Kawamura to head both divisions suggests that this is mostly a cosmetic exercise.
DONOVAN